

# **2016 REAL ESTATE REASSESSMENT**

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Board of Supervisors Meeting  
December 8, 2015

# Agenda

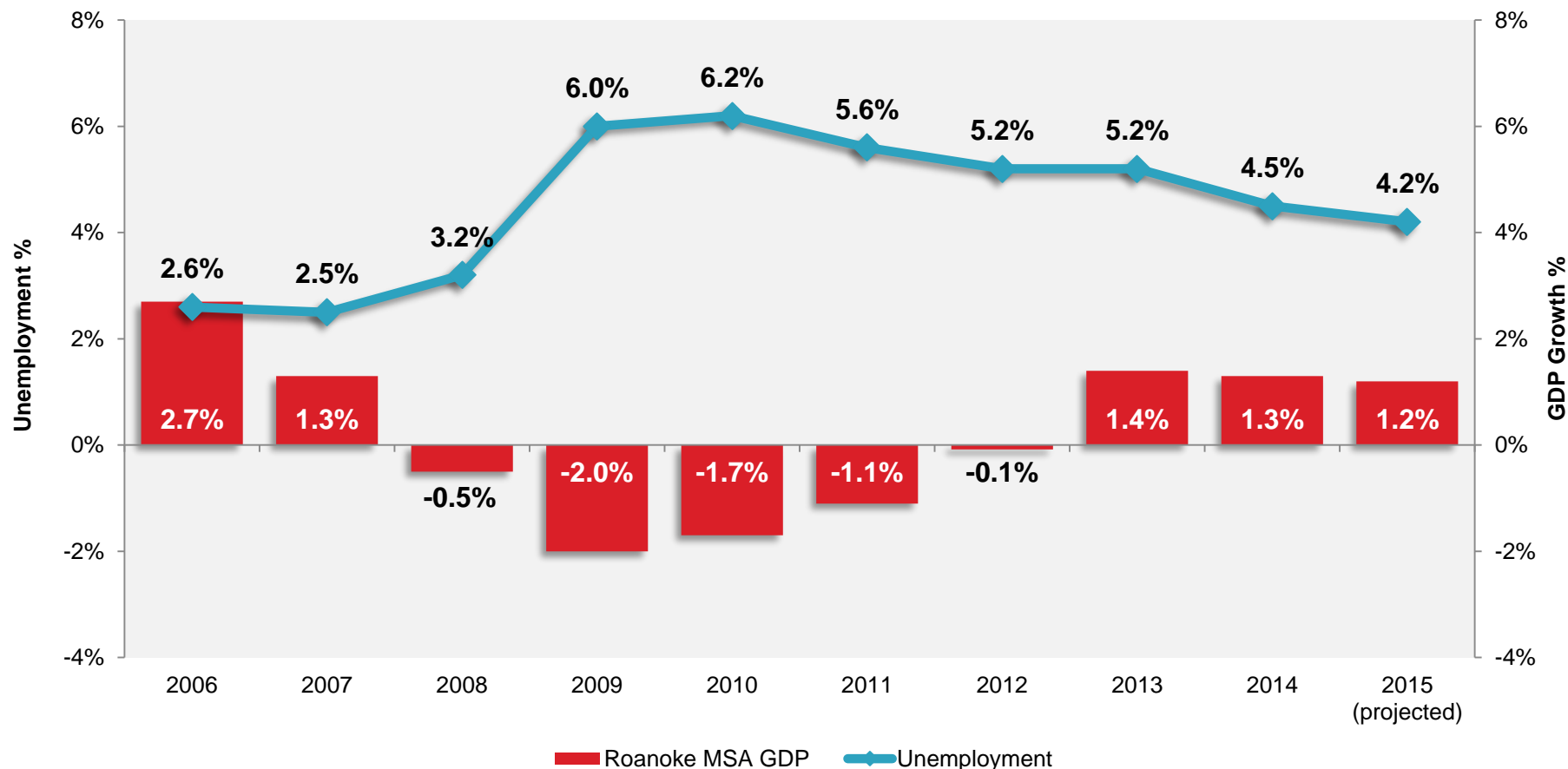
- Regional Economic Conditions
- 2016 Real Estate Assessment
- Real Estate Fiscal Impact
- Tax Policy Implications
- Next Steps

# REGIONAL ECONOMIC CONDITIONS

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# Unemployment and GDP Growth

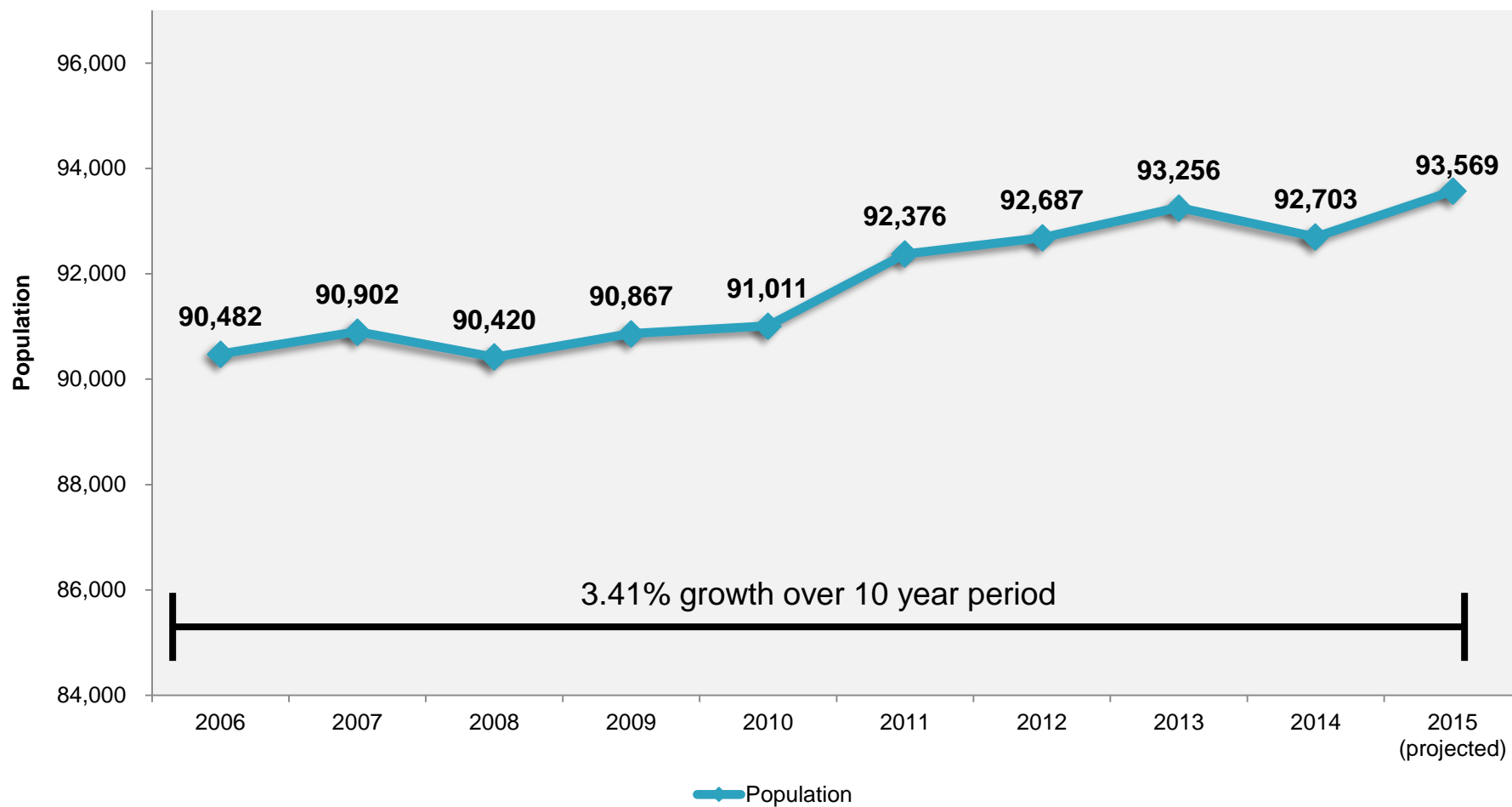
Roanoke County Unemployment vs.  
Roanoke MSA Gross Domestic Product (GDP) Growth  
2006 through 2015



**Source:** YesRoanoke.org & Bureau of Economic Analysis; GDP is adjusted for inflation. Unemployment % represents yearly average.

# Population

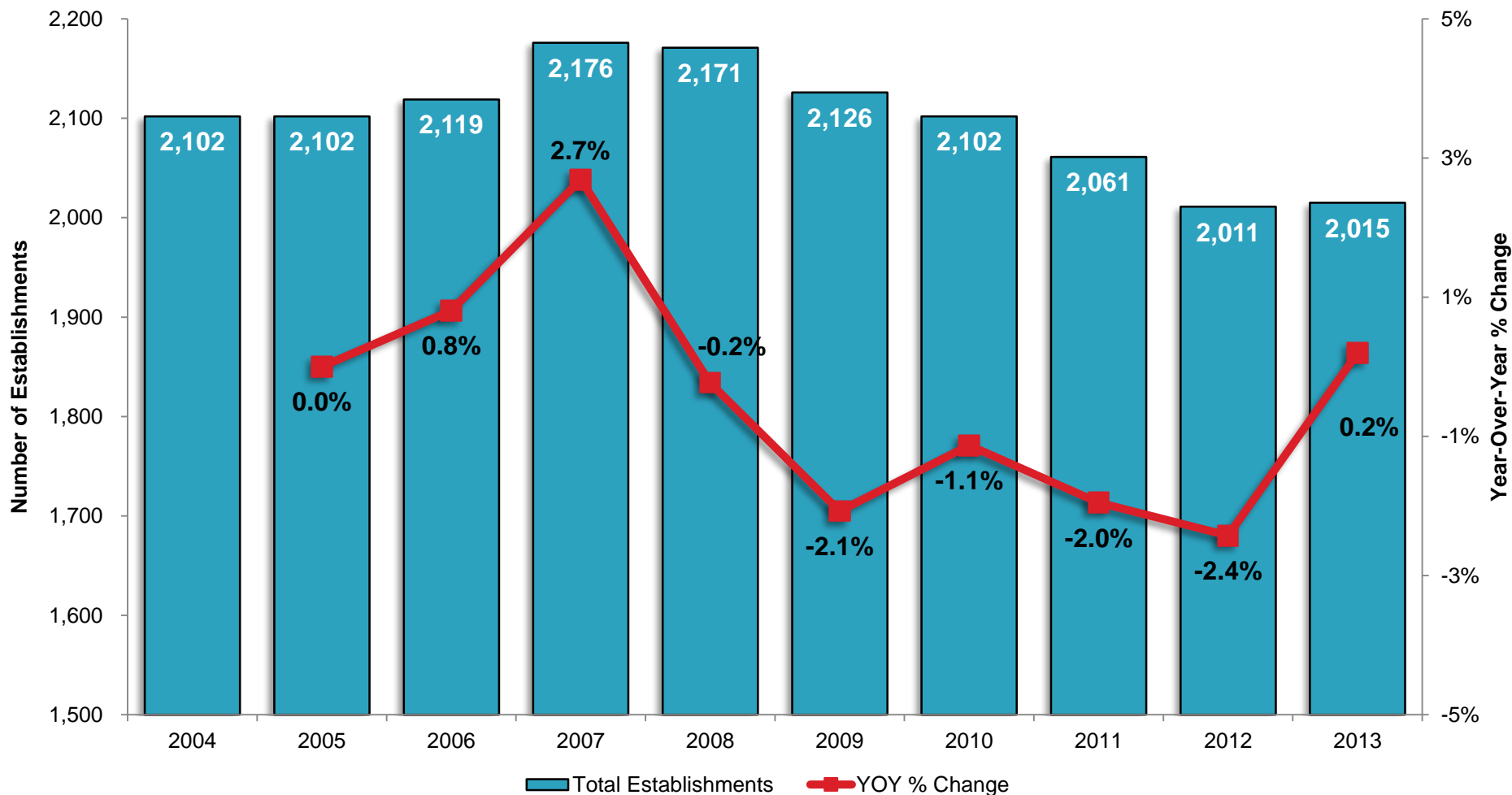
**Roanoke County Population  
2006 through 2015**



**Source:** 2015 Roanoke County Annual Financial Report (CAFR), Weldon Cooper Center for Public Service

# Business Establishments

**Total Establishments and Year-Over-Year % Change  
2004 through 2013**



# Business Establishments

	Base Year	Total Business Establishment Increase/(Decrease)									
Sector	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	Total Change 2004-2013
Trade (wholesale and retail)	451	(8)	(14)	3	(28)	6	(19)	12	(17)	2	(63)
Finance, Information, Real Estate	322	10	22	5	1	(18)	(14)	(6)	(16)	(1)	(17)
Other	276	(5)	7	12	(12)	2	8	1	(15)	(4)	(6)
Construction/Manufacturing	340	(7)	13	(14)	5	(19)	(18)	(32)	(10)	(2)	(84)
Health and Social Assistance	200	7	(4)	28	13	(12)	0	0	2	(3)	31
Professional Services	181	(1)	(6)	18	11	3	9	3	6	(2)	41
Accomm. and Food Services	124	8	2	(6)	3	4	3	(1)	(4)	6	15
Mgmt and Administrative Support	130	(2)	(1)	8	3	(7)	7	(12)	5	4	5
Transportation	50	(4)	2	7	(2)	(5)	(3)	(4)	(2)	1	(10)
Education Services	28	2	(4)	(4)	1	1	3	(2)	1	3	1
<b>Total</b>	<b>2,102</b>	<b>0</b>	<b>17</b>	<b>57</b>	<b>(5)</b>	<b>(45)</b>	<b>(24)</b>	<b>(41)</b>	<b>(50)</b>	<b>4</b>	<b>(87)</b>

# Economic Conditions – Future Outlook

- Population is expected to increase only slightly over the next several years
- Roanoke MSA inflation adjusted GDP growth expected to continue below 2%
- Unemployment rate currently trending downward through 2015
  - September unemployment rate at 3.6% compared to 4.2% in January
- Business establishment composition expected to continue transition from trade, construction, and manufacturing to professional services, health, and social assistance



# 2016 REAL ESTATE ASSESSMENT

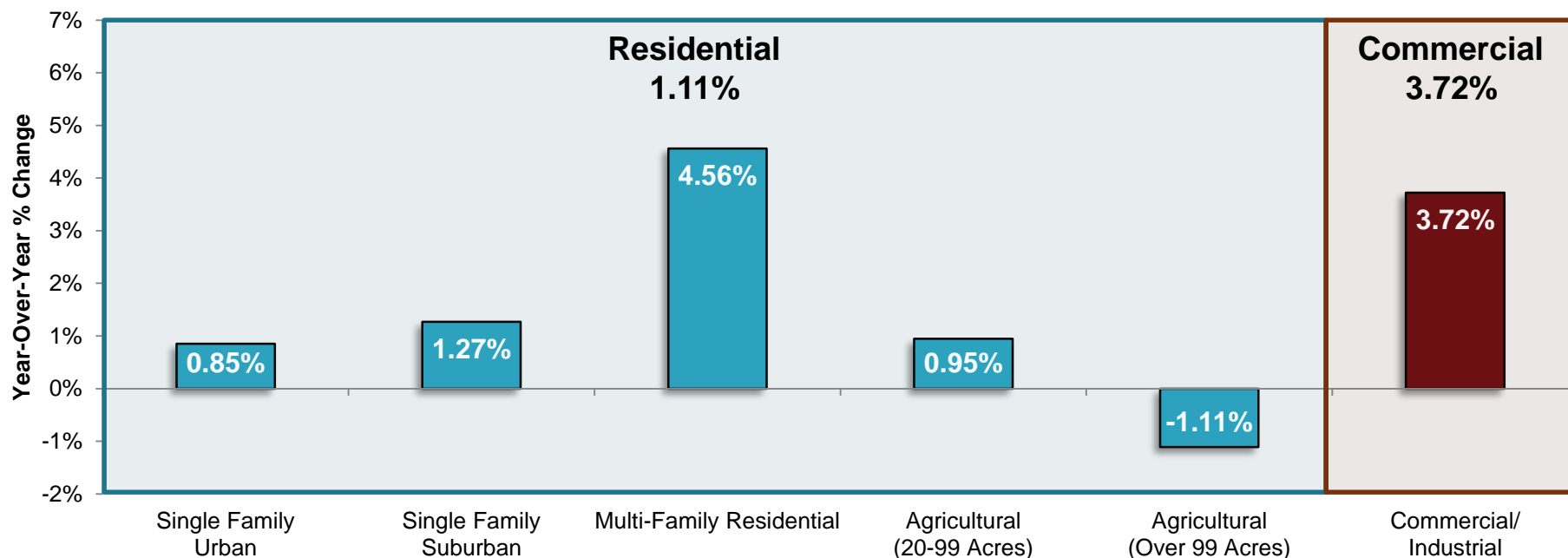
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# 2016 Real Estate Assessment

Category	2015 Assessed Value	2016 Assessed Value	Change in Assessed Value	% Change
Residential	6,925,394,200	7,002,595,500	77,201,300	1.11%
Commercial	1,047,540,900	1,086,542,300	39,001,400	3.72%
<b>Total</b>	<b>7,972,935,100</b>	<b>8,089,137,800</b>	<b>116,202,700</b>	<b>1.46%</b>

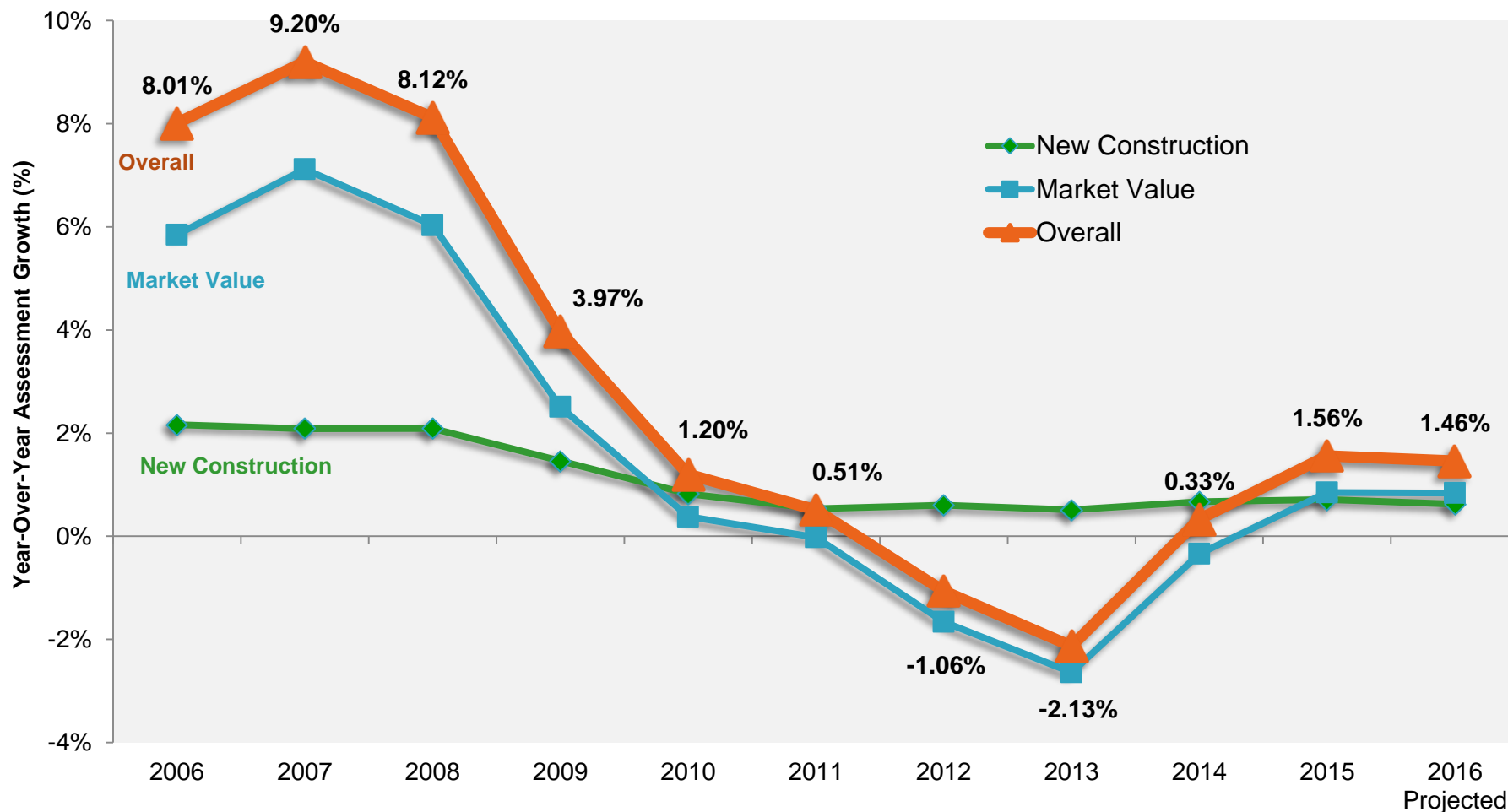
Assessment Increase Attributed To:		
New Construction	49,290,300	0.62%
Market Value	66,912,400	0.84%
<b>Total</b>	<b>116,202,700</b>	<b>1.46%</b>

**2016 Assessment Percentage Change by Classification**



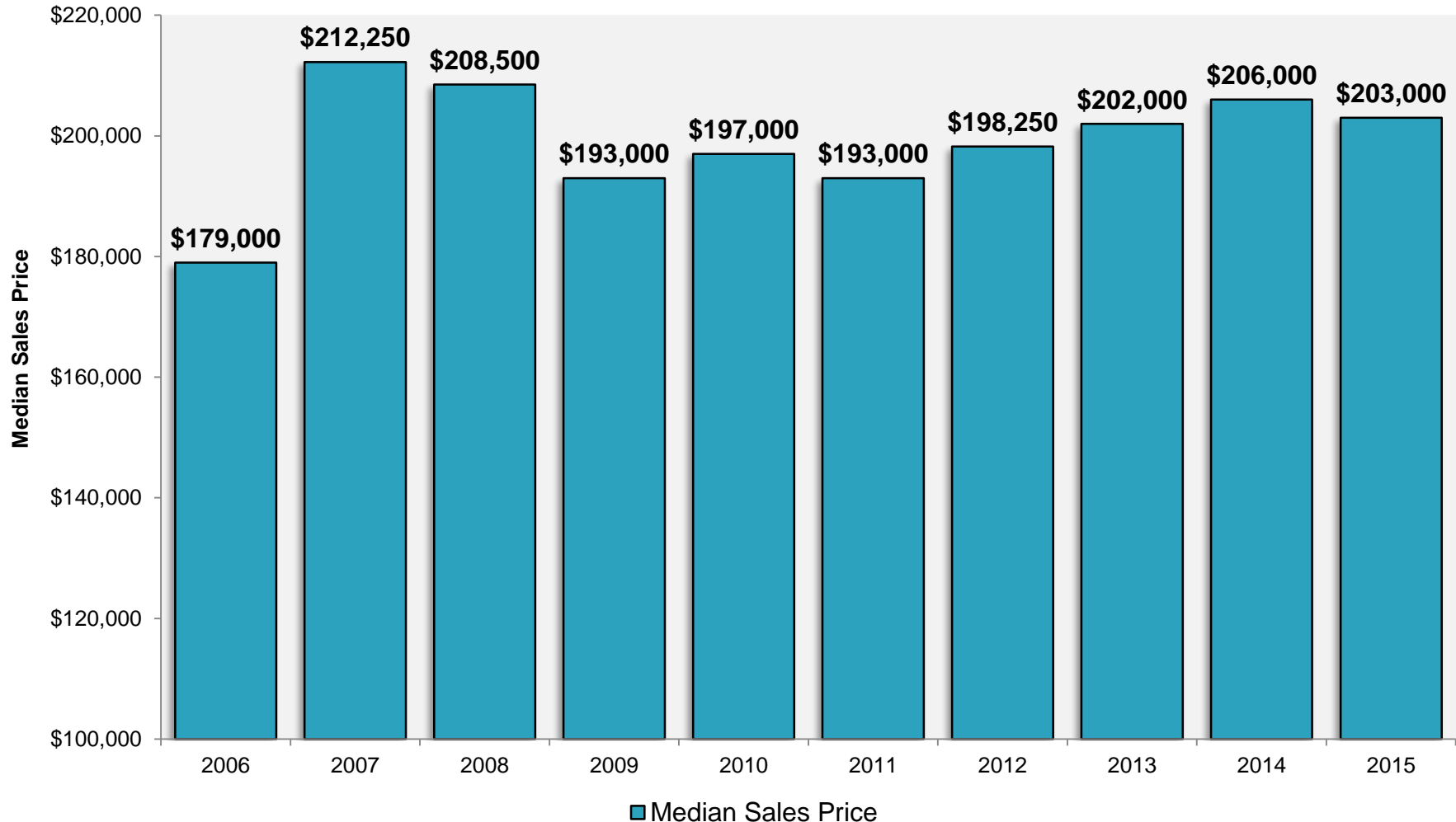
# Assessment Growth History

Assessment Growth History  
2006 through 2016



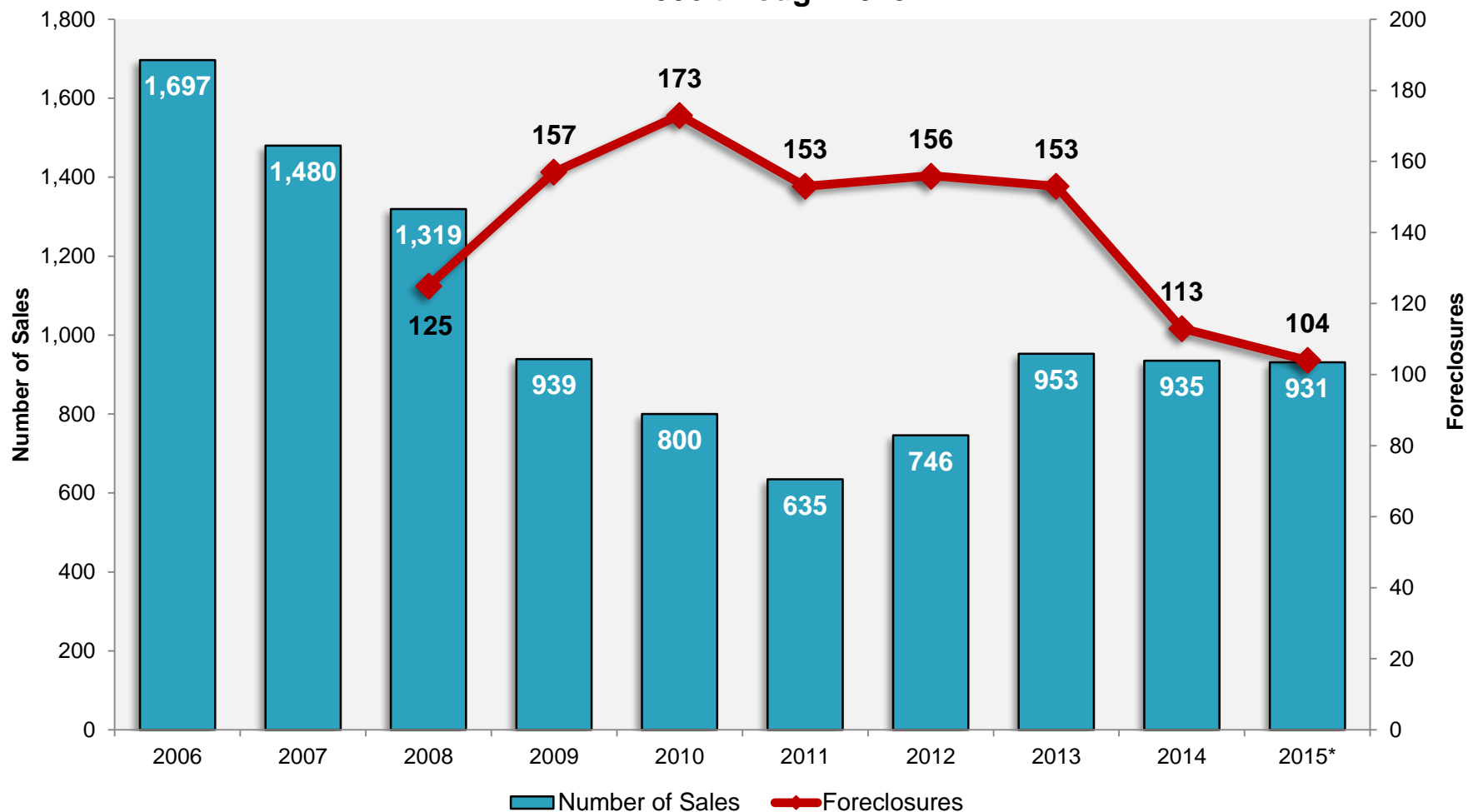
# Median Sales Price History - Residential

Median Sales Price - Residential  
2006 through 2015



# History of Sales

History of Total Sales and Foreclosures  
2006 through 2015



\* 2015 sales figures are projections as of November 2015; foreclosure data before 2008 is not available

# 2016 Reassessment Hearing Dates

- Reassessment notices will be mailed December 31<sup>st</sup>
- Informal Appeals
  - January 19<sup>th</sup> through January 27<sup>th</sup>
    - Call Real Estate Valuation Office at 772-2035 extension 0 for an appointment
- Formal Appeals (Board of Equalization)
  - Dates for BOE meetings are as follows:
    - April 28<sup>th</sup>
    - July 28<sup>th</sup>
    - November 3<sup>rd</sup>

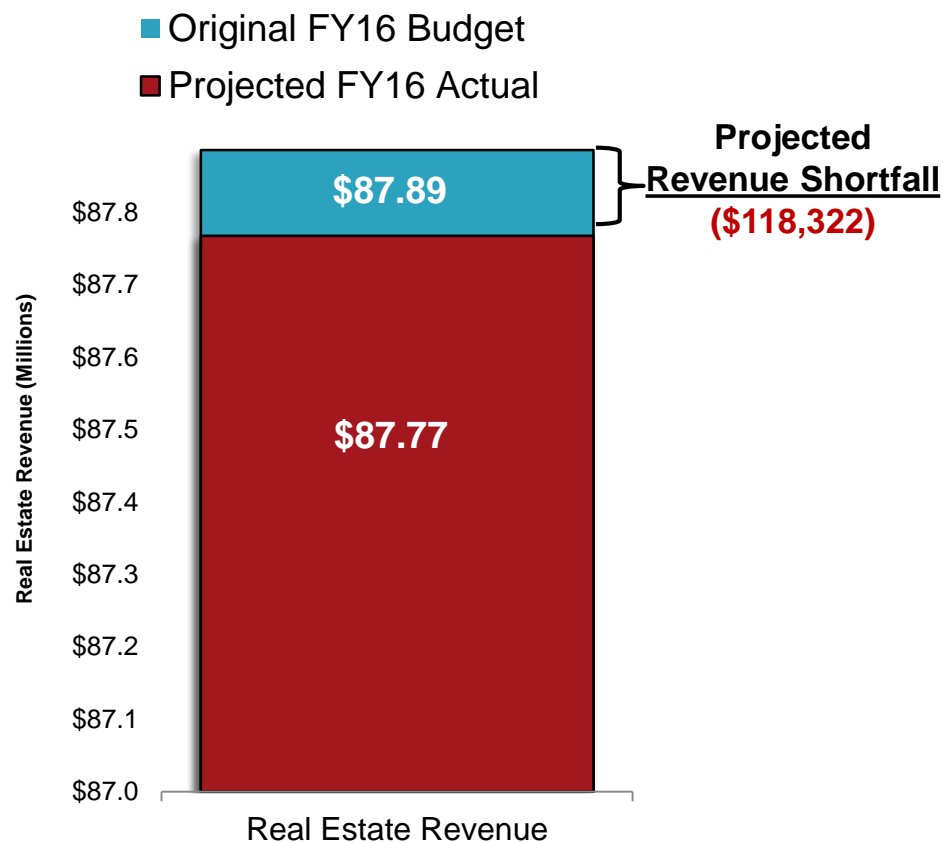
# REAL ESTATE FISCAL IMPACT

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# FY15-16 Fiscal Impact

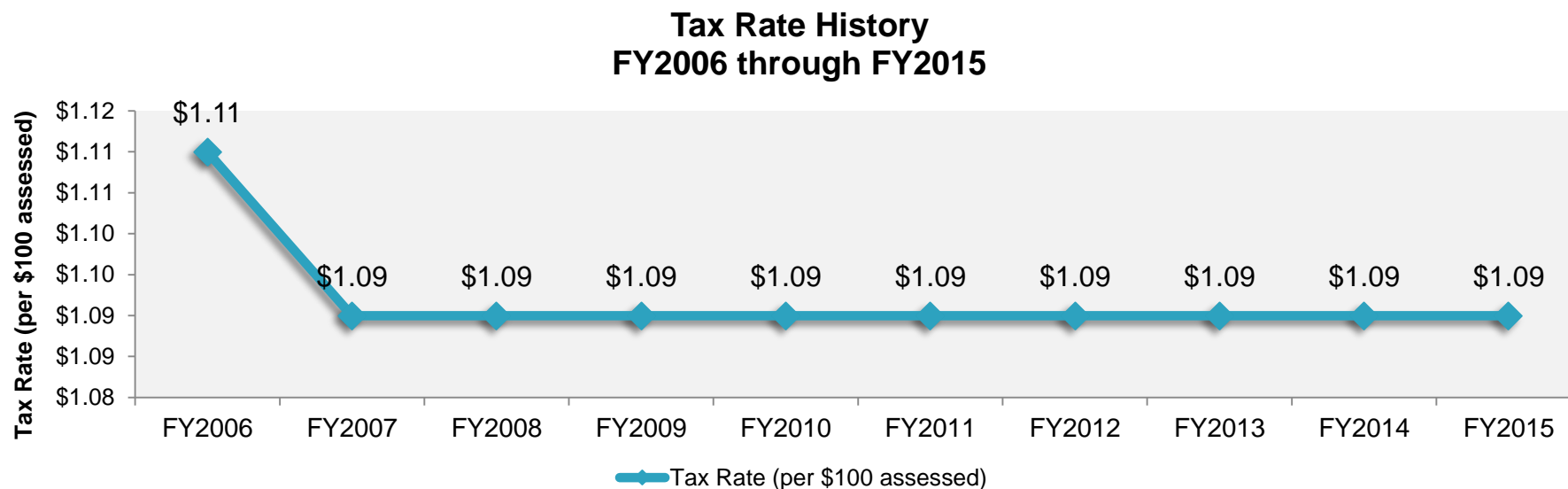
- FY15-16 Original Budget based off of projected calendar year 2016 change in assessment of 1.75%

Year	Change in Assessment
Calendar Year 2015	1.56%
New Construction	0.71%
Market Value	0.85%
Calendar Year 2016 (projected)	1.46%
New Construction	0.62%
Market Value	0.84%





# Tax Rate History

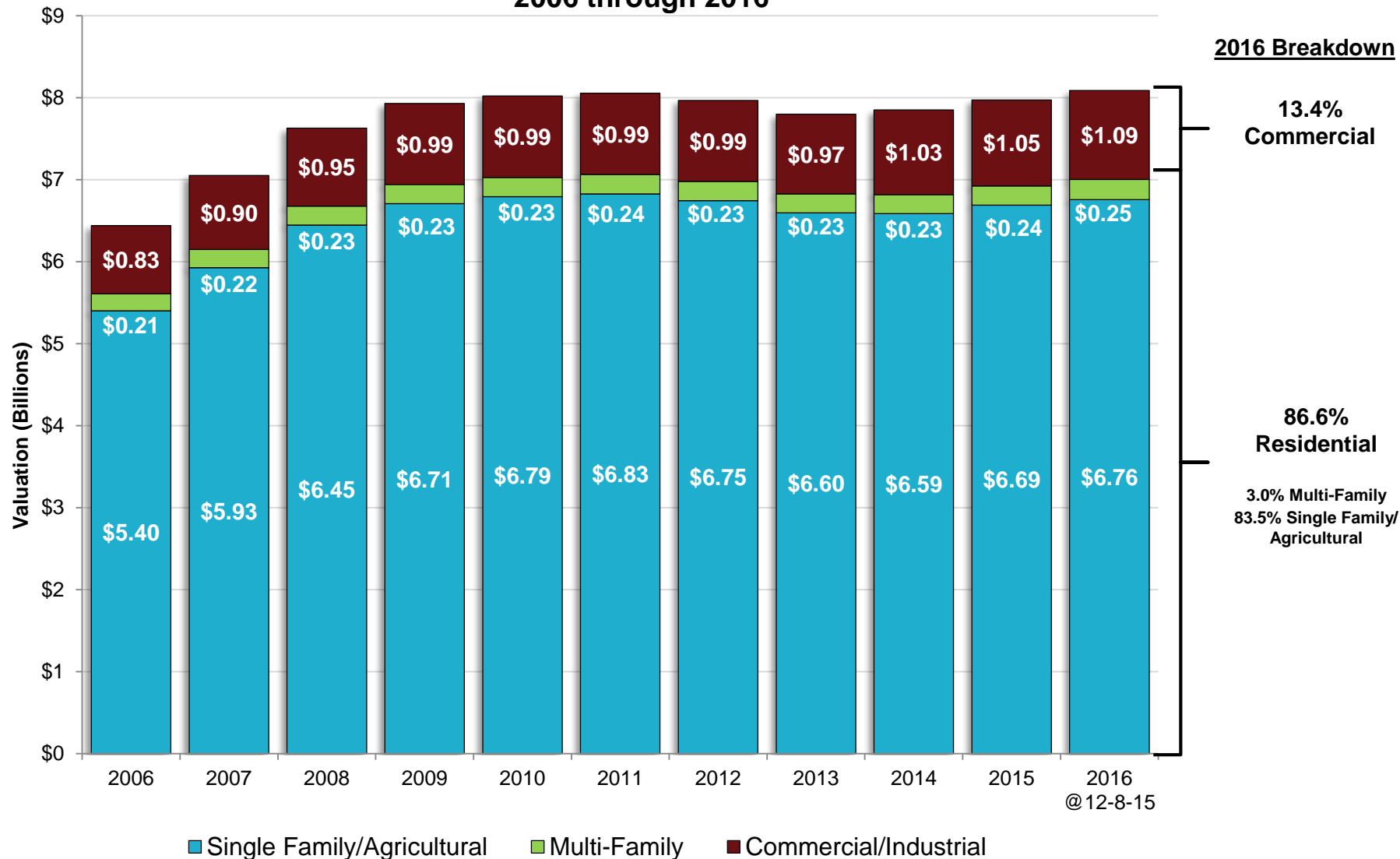


## Impact of \$0.01 Reduction in Tax Rate

FY15-16 Impact		FY16-17 Impact	
County	Schools	County	Schools
(400,000)	-	(408,000)	(350,000)

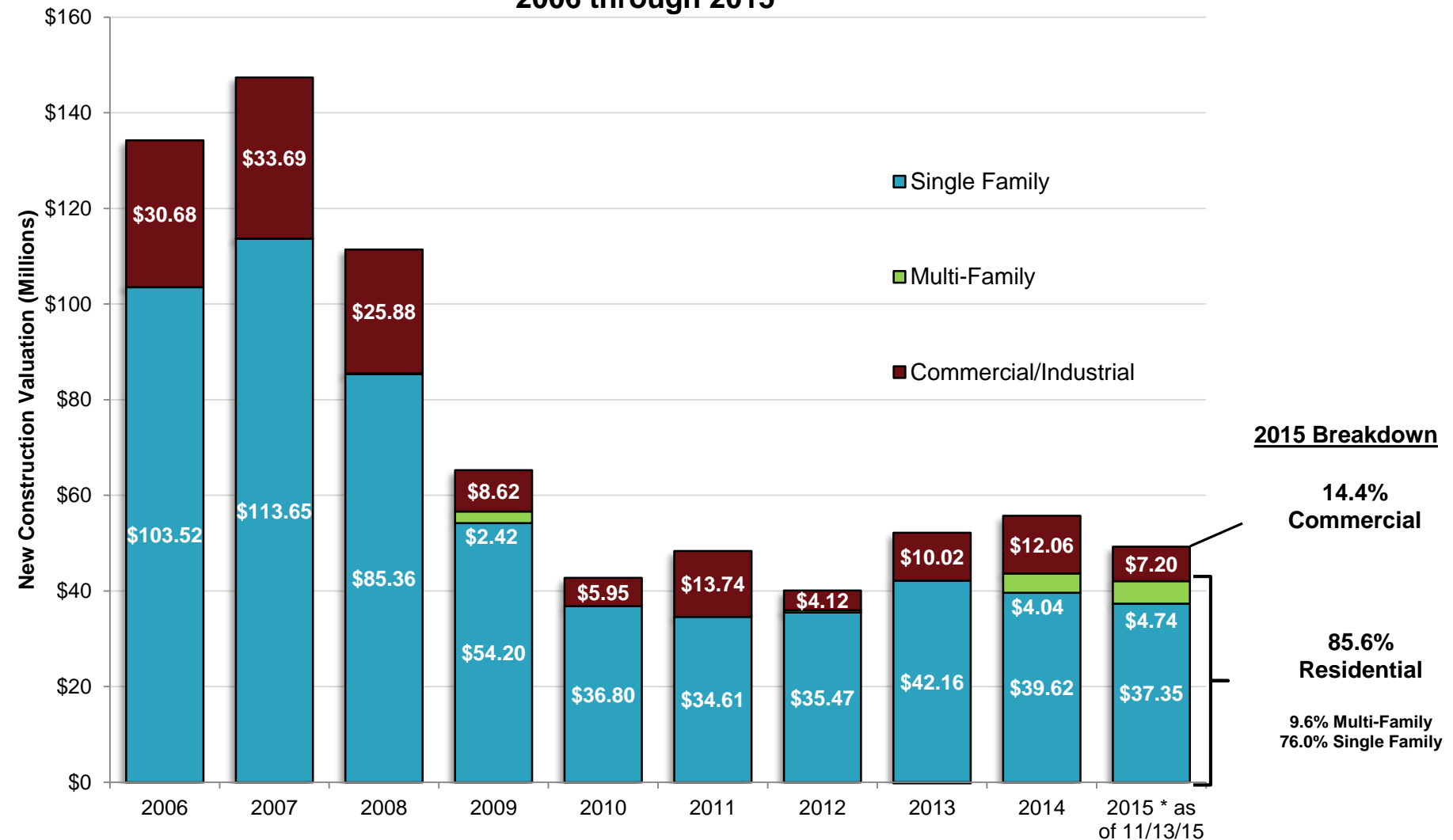
# Assessment History

Valuation History  
2006 through 2016



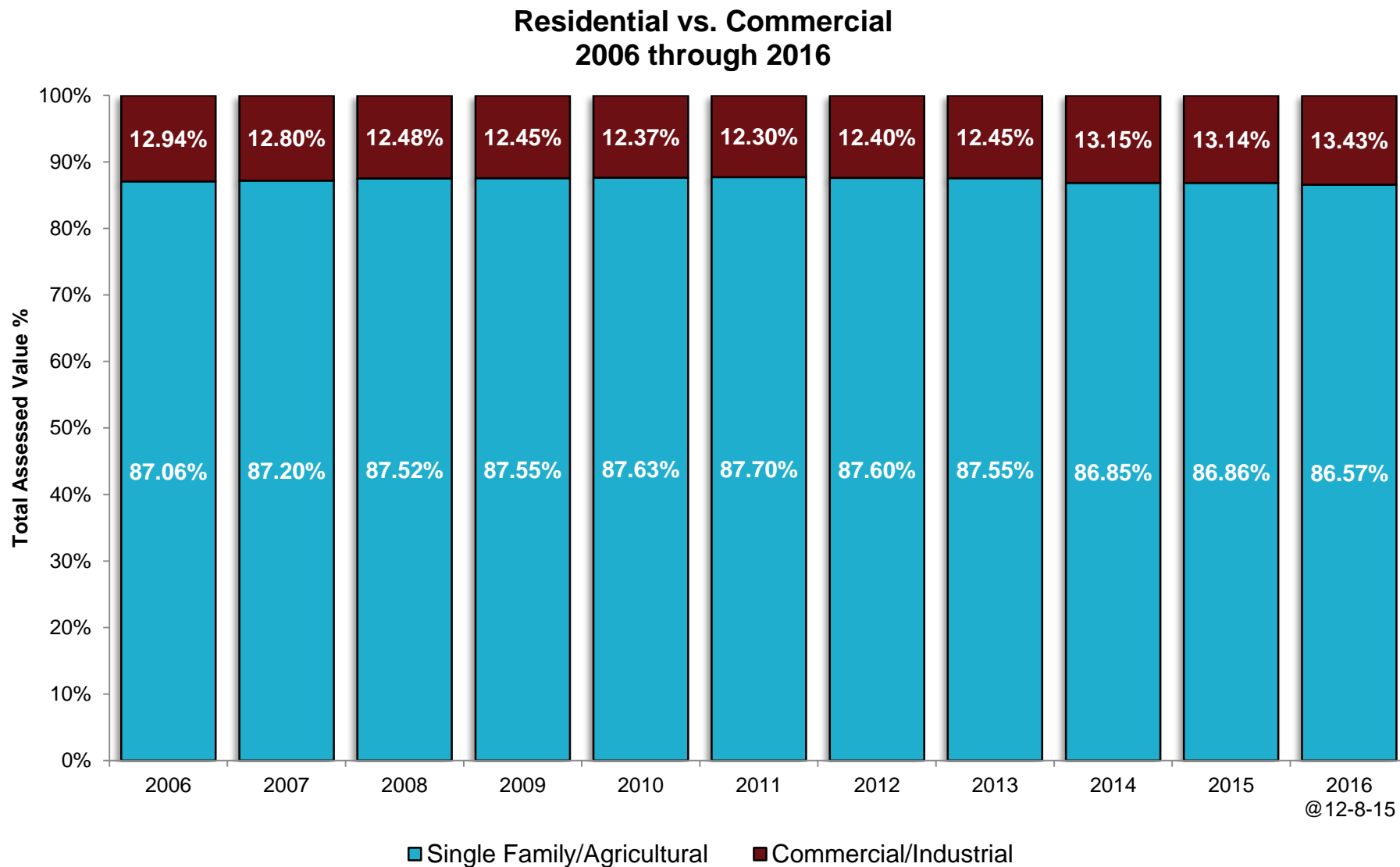
# New Construction History

**New Construction History  
2006 through 2015**



Note: Total new construction figure for 2006 is accurate; breakdown by category is estimated

# Residential vs. Commercial Value



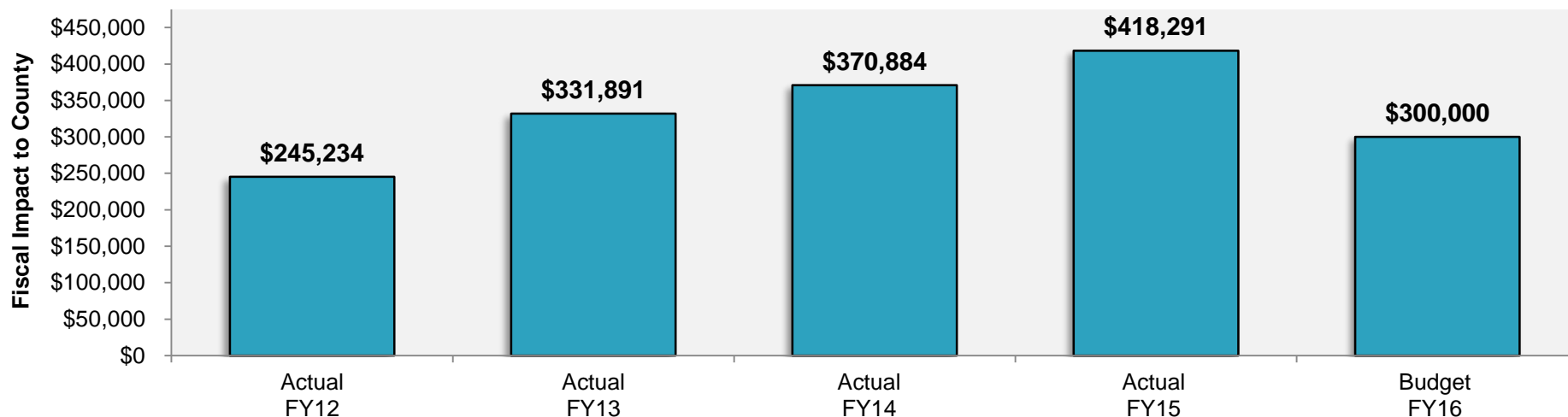
# **TAX POLICY IMPLICATIONS**

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# Disabled Veterans Property Tax Exemption

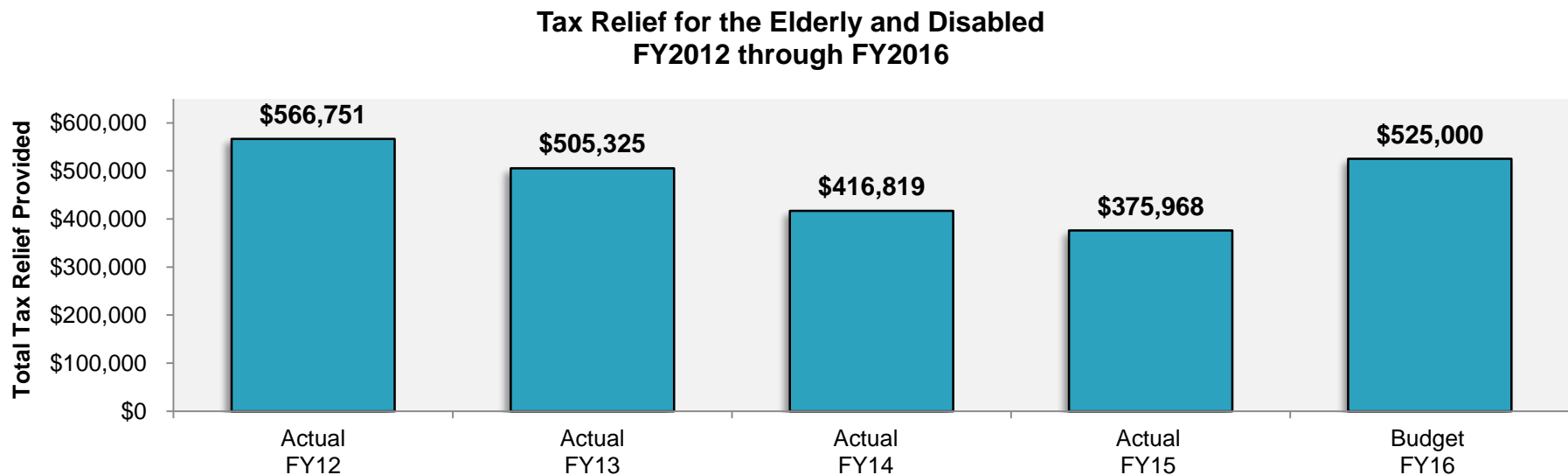
- Administered through Commissioner of Revenue's Office
- Criteria for veterans or surviving spouse
  - Principal place of residence
  - Owned and occupied by disabled veteran or unremarried surviving spouse
  - Certification letter stating that disability is 100% service related
- Information available on Roanoke County website or contact the Commissioner of Revenue's office at 772-2046, ext 114

**Disabled Veterans Personal Property Tax Exemption  
FY2012 through FY2016**



# Tax Relief for the Elderly

- Administered through Commissioner of Revenue's Office
- Criteria
  - Disabled or over age 65
  - Combined income of less than \$56,566
  - Net assets not exceeding \$200,000
- Information available on Roanoke County website or contact the Commissioner of Revenue's office at 772-2046, ext 114



# Land Use Assessment

- Administered through Real Estate Valuation office
- Land must be fully devoted to one of the following purposes:
  - Agriculture
  - Horticulture
  - Forestry Production
  - Open Space
- Information available through the Real Estate Valuation department's Land Use Coordinator at 772-2035, ext 217

Category	Total Deferred Value of Land Use Assessment Properties	Impact on Tax Collection	% of Total Real Estate Tax Collection
Roanoke County	165,659,300	(1,805,686)	2.054%
Town of Vinton	152,000	(1,657)	0.002%
<b>Total</b>	<b>165,811,300</b>	<b>(1,807,343)</b>	<b>2.056%</b>



# Payment in Lieu of Taxes

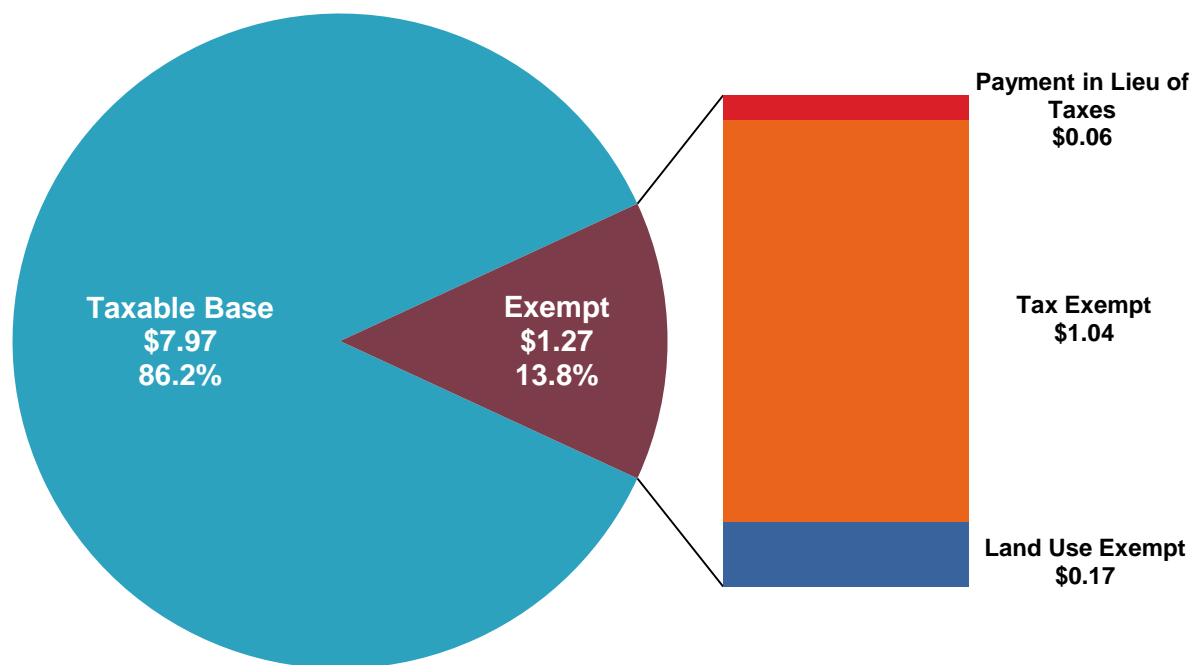
- Payment made to County to compensate for some or all foregone tax revenue due to the nature of use of the property
  - Examples: Nursing homes, retirement communities, other non-profits with sizeable service level impacts
- Agreement must be presented to and adopted by the Board of Supervisors

Payment in Lieu of Taxes				
# of Companies	2015 Assessed Value	Total Taxable	Service Charge Paid	Difference Taxable vs. Service Charge Paid
8	79,297,000	864,337	172,867	(691,470)

# Tax Exempt and Payment in Lieu of Taxes

Tax Exempt Organizations		
Type	Total Exempt Value	Tax Loss
Federal Government	30,631,000	333,878
State Government	60,626,500	660,829
Local Government	529,685,000	5,773,567
Religious	210,336,700	2,292,670
Charitable	5,572,600	60,741
Educational	122,995,400	1,340,650
Other	84,599,300	922,132
Unknown	82,400	898
<b>Total All</b>	<b>1,044,528,900</b>	<b>11,385,365</b>

2015 Taxable and Tax Exempt Assessed Value (Billions)



## NEXT STEPS

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# Next Steps

- Development of FY16-17 revenue and expenditure projections
- Presentation of capital and operating budgets
- Tax rate adoption
- Approval of FY16-17 Operating and Capital Budget

Item	Date
County Administrator's Recommended FY17-26 CIP	January 26
County Administrator's Recommended FY16-17 Operating Budget	March 08
Adoption of Maximum Tax Rate and Public Hearing	March 22
Tax Rate Adoption	April 12
1 <sup>st</sup> Reading of FY16-17 Operating and Capital Budget	May 10
2 <sup>nd</sup> Reading and Adoption of FY16-17 Operating and Capital Budget	May 24

# COMMENTS

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